

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Enardo Manufacturing Company

Oklahoma Alliance for Manufacturing Excellence

Enardo Says "Adios" To Mexican Relocation

Client Profile:

Enardo Manufacturing is a Tulsa, Oklahoma, manufacturer of vent valves, hatches, and flame arresters for the oil, petrochemical, and pharmaceutical industries. Founded in 1933, the company currently employs 43 people.

Situation:

Like most small and mid-sized Oklahoma manufacturers, Enardo faced the challenge of coping with competitive pricing pressures from domestic and foreign sources while trying to expand market share and profits. Enardo needed to reduce the cost of producing its products. As part of its manufacturing process, Enardo machines and finishes raw casters supplied by several vendors in northeastern Oklahoma. To lower the products' cost, Enardo explored foreign sources to supply a machined, finished part. It looked at several suppliers including operations in Canada, India, and Asia. The best price Enardo could find was a supplier in Mexico. Late in 2001, Enardo began the process of shifting operations south of the border. Around that time, the company met with the Oklahoma Alliance for Manufacturing Excellence (The Alliance), a NIST MEP network affiliate, which offered an alternative to the move.

Solution:

Owner Mark Tomer and Gary Raasch, operations manager for Enardo, took the advice of The Alliance and decided to give lean enterprise a try. Working through The Alliance, Enardo received a workforce investment grant offered by the Oklahoma Employment Security Commission. Initially, Enardo paid for a Lean 101 introductory course. The employees moved on to a Value Stream Mapping course and discussed problems with the process while determining possible solutions. The two courses cost Enardo about \$6,500 but qualified it for the grant. The grant mostly covered the expense of a pilot implementation project--approximately \$5,000. Enardo's pilot project, which took place on its vent valve product line, was a success. The company squeezed out enough efficiency to keep the operations in Oklahoma. That accomplishment saved jobs not only at Enardo but also jobs at its suppliers in area towns such as Glenpool, Prattville, and Chelsea, Oklahoma.

Results:

Saved 25 jobs.

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Reduced raw material inventory by 80 percent.
Reduced work-in-process by 53 percent.
Reduced travel distance for parts production by 44 percent.
Reduced lead time by 75 percent.

Testimonial:

"If not for the Oklahoma Employment Security Commission's grant and the opportunities offered through The Oklahoma Alliance for Manufacturing Excellence, we simply would not have had the initiative or means to implement lean. We would have moved a significant portion of our operations to Mexico."

Mark Tomer, Owner